



Action Summary

Mid-Region Council of Governments EXECUTIVE BOARD MEETING

Thursday, February 14, 2013

2:00 p.m.

809 Copper Ave. NW, Albuquerque, NM 87102

Debbie O'Malley, Chair

Phil Gasteyer, Vice-Chair

ORGANIZATION	PRESENT	MEMBER	PRESENT	ALTERNATE
Sandoval County	X	Nora M. Scherzinger , Commissioner		Phil Rios
Bernalillo County Municipalities	X	Larry Abraham , Mayor, Village of Los Ranchos de Albuquerque		Donald Lopez
City of Albuquerque (Administration)		Robert Perry , Chief Administrative Officer		Michael Riordan
City of Albuquerque (Council)	X	Rey Garduño , Councilor		Councilors: Trudy Jones, Brad Winter City Council Staff: Laura Mason, Diane Dolan, Tony Duran, Andrew Webb, Tom Menicucci, Elaine Romero, Isaac Padilla
Bernalillo County	X	Debbie O'Malley, Chair Commissioner		Tom Zdunek Steve Miller Other commissioners
Flood Control Authorities	X	Tim Eichenberg , Board Member AMAFCA		Ronald D. Brown
Middle Rio Grande Conservancy District		Adrian Oglesby , Board Member		Karen Dunning Subhas Shah
City of Rio Rancho		Thomas Swisstack , Mayor	X	John Castillo
Sandoval County Municipalities	X	Phil Gasteyer, Vice-Chair Mayor, Village of Corrales		Jack Torres, Mayor Town of Bernalillo
School Districts	X	Richard Bruce , Rio Rancho Public Schools		Vacant
Torrance County		Joy Ansley County Manager		Annette Ortiz
Torrance County Municipalities		M. Steven Anaya , Councilor City of Moriarty		Linda Fischer
Valencia County	X	Mary Andersen , Commissioner		Vacant
Valencia County Municipalities	X	Robert Knowlton , Mayor, Village of Bosque Farms		Vacant
Village of Tijeras	X	Gloria Chavez , Mayor		Diane L. Klaus

NON-VOTING ADVISORY MEMBERS				
ORGANIZATION	PRESENT	MEMBER	PRESENT	ALTERNATE
Federal Highway Administration		J. Don Martinez, Division Administrator		Vacant
NMDOT		Tom Church, Secretary		Vacant
NMDOT		Tamara Haas, District 3 Engineer		Vacant
Pueblo of Santa Ana		Bruce Sanchez, Governor		Ken Paquin
NON-VOTING ASSOCIATE MEMBERS				
Valley Improvement Association				
MRCOG STAFF AND OTHERS PRESENT				
Dewey Cave, Executive Director				
Larry Horan, MRCOG Staff				
Wendy Candelaria, MRCOG Staff				
Martha Mendoza, MRCOG Staff				
Brenda Bellamy, MRCOG Staff				
Sandy Gaiser, MRCOG Staff				
Loretta Tollefson, MRCOG Staff				
Ann Simon, MRCOG Staff				
Terry Doyle, MRCOG Staff				
Mike Kivitz, President , Adelante Development Center				
Krista Kelley, Vice President, Adelante Development Center				
Scott Eliason, CPA, Moss Adams LLP				
Julian Moya, City of Albuquerque				

ACTION SUMMARY	
	<p>Call to Order</p> <p>The February 14, 2013 Executive Board meeting was called to order by Chair, Debbie O'Malley, at 2:10 p.m. and the presence of a quorum was noted.</p>
Tab 1	<p>Approval of Agenda</p> <p>Commissioner Debbie O'Malley, Bernalillo County, made a motion to approve the February 14, 2013 Agenda as written. The motion was seconded by Councilor Rey Garduño, City of Albuquerque, and passed unanimously.</p>
Tab 2	<p>Approval of Action Summary for January 10, 2013</p> <p>Commissioner Debbie O'Malley, Bernalillo County, made the motion to approve the Action Summary for January 10, 2013 as presented. The motion was seconded by Richard Bruce, Rio Rancho Public Schools.</p> <p>Mayor Phil Gasteyer, Village of Corrales, requested confirmation on tab 5, regarding the motion to approve the facility lease agreement, pursuant to a legal opinion by Attorney Larry Horan that does not show any constitutional impediments. Mr. Horan confirmed there are no constitutional impediments and the statue does allow the MRCOG Facility Lease Purchase Agreement.</p> <p>Following discussion the motion passed unanimously.</p>

PUBLIC COMMENT

Tab 3

Public Comment

No Public Comment

ACTION ITEMS

Tab 4

Approval of the FY12 Audit Report

Mr. Cave introduced Scott Eliason from Moss Adams, LLP to present the FY12 Audit Report. Mr. Eliason presented a summarized report of the FY12 Audit and was pleased to say the process went very well and is offering an unqualified or clean opinion audit report. The FY12 Audit Report was accepted by the State Auditor's Office. Mayor Gloria Chavez, Village of Tijeras, congratulated Dewey and Staff on a clean audit. A copy of the report may be obtained at the MRCOG Office.

Commissioner Debbie O'Malley, Bernalillo County made a motion to approve the FY12 Audit Report. The motion was seconded by Mayor Gloria Chavez, Village of Tijeras, and passed unanimously.

Tab 5

Approval of MRCOG to serve as a fiscal agent for Adelante Development Center Inc. on a State Capital Outlay Request Project

Mr. Cave informed the Board that Adelante Development Center Inc. has requested MRCOG to consider being a fiscal agent for a capital outlay project they are seeking funding for. In order for a non-profit to receive funding from capital outlay, they must have a governmental fiscal agent to receive the funds.

Mike Kivitz, President of Adelante Development Center and Krista Kelley, Vice President for Program Development, presented a slide show regarding the Dixon Apple Orchard Capital Outlay request. The orchard was severely damaged by the Las Conchas fire and flood waters in 2011. Between the two disasters, over 2,000 trees were destroyed, as well as irrigation systems, equipment, wells, and buildings on the property.

The land is owned by the State Land Office and is leased to Mr. and Mrs. Mullane, who have the land tied up in a long term lease. The property is divided into two parcels. A little over 600 acres is the orchard and 8400 acres is referred to as Stewardship land. This land is of interest to the State Land Office, Cochiti Pueblo and San Felipe Pueblo. The State Land Office would like to free it up so the taxpayers can benefit from it.

The Mullanes want to leave, but not without getting money for their assets which is primarily the trees and the value that goes with the trees. The project involves purchasing the existing assets of the orchard including the trees from the current lessee for \$1.5 million. In addition, the project requires an additional \$400,000 in equipment to return growing and harvesting operations to the site.

Adelante's goal is to restore the Dixon Apple Orchard to become a viable asset to Northern New Mexico by providing jobs for veterans and people with disabilities and provide more tourism dollars by expanding the Dixon Apple Orchard usage to include weddings, meetings, and other events at the site. It will also free up the 8400 acres for the State Land Office to sell or trade for more valuable assets.

Councilor Rey Garduño, City of Albuquerque wanted to know how \$1.5 million for the assets was decided. Mr. Kivitz explained there was a prior RFP (Request For Proposal) from the State Land Office that valued the assets at approximately \$1.5 million. An official evaluation will be done by New Mexico State Agriculture Economic Department. Mr. Garduño was concerned about housing and transportation for the workers as this is in a remote area. Mr. Kivitz advised that this would be a day job for many and housing would not be necessary. Adelante has work in Albuquerque, Santa Fe, Moriarty and Taos and have vehicles going back and forth. Mr. Garduño voiced concern regarding whether this would be a viable project considering the trees that were destroyed and a lot of the trees were at the end of

production. Mr. Kivitz advised the Board that one big area that got wiped out was newly planted trees that had not started producing. The State Land Office is currently irrigating the trees to keep them alive and growing.

Mayor Phil Gasteyer, Village of Corrales wanted to know if the project was in Sandoval County. Mr. Kivitz assured him it was.

Mayor Gasteyer was interested in how many projects MRCOG acted as fiscal agent in the past for Adelante. Krista Kelly advised that there were two capital outlay projects through the legislature that MRCOG acted as fiscal agent.

Mayor Gasteyer voiced his concern that the MRCOG agrees to serve as the fiscal agent for Adelante Development Center Inc. or to become the owner of the assets listed in the capital out lay request consistent with the requirements as established by the Department of Finance and Administration ("DFA"), subject to approval by the MRCOG Board. Larry Horan, Council for MRCOG, explained that the dead line for capital outlay requests was this past Monday and the Council Service requires that a 501 3C, must have a fiscal agent for the request. Mr. Horan explained that Legislation has not been passed or signed yet, so MRCOG is not bound by the contents of the support letter, however the letter does allow Adelante to submit their capital outlay request. In this case, if MRCOG is a owner, the owner would own the trees, the trade mark to the apples, and the equipment that would be purchased. The State Land Office owns the land and would turn it into a long term lease with whoever is going to run the orchard.

Mayor Gasteyer questioned, if the Mid-Region Council of Governments is permitted to own assets of this sort? Mr. Horan assured the Board the Council of Governments is allowed to own assets as they can own property. Mr. Horan explained, that the capital outlay request had to be submitted by Monday. Once the legislation is drafted and passed, MRCOG would choose to serve as fiscal agent or not. If MRCOG chose not to serve as fiscal agent, Adelante would have the opportunity to amend legislation and substitute a separate fiscal agent. Getting the request in, does not bind MRCOG to serve as fiscal agent.

Commissioner Debbie O'Malley, Bernalillo County opined there is more to this than just being a fiscal agent, the MRCOG is going to own an asset. There is also the issue of whether or not MRCOG can lease it back. Commissioner O'Malley stated that it is important the Board understands, this is not just a pass thru deal, this project is an unusual request for the MRCOG.

Mayor Larry Abraham, Village of Los Ranchos De Albuquerque questioned Mr. Cave, as to what would be the down side to serve as fiscal agent for Adelante? Mr. Cave voiced his concern with the issue of ownership and the long term commitment to manage the lease.

Tim Eichenberg, AMAFCA, had concerns in regards to the \$400,000 for the equipment, and the liability for maintenance. He questioned the additional time MRCOG staff will be spending on tracking the assets. There would have to be some kind of administration fee. Mr. Kivitz advised the Board that Adelante would use its own operating funds to pay the administrative fee.

Commissioner Nora Scherzinger, Sandoval County, requested clarification to how many acres currently have trees out of the 625 acres. Mr. Kivitz stated outside of where the buildings were, the vast majority of the property has trees.

Commissioner Mary Andersen, Valencia County questioned, if Sandoval County would be a better fit as fiscal agent? Ms. Kelley explained that Adelante has worked with MRCOG on capital outlay appropriations in the past and Adelante will be employing individuals from all areas, not just Sandoval County.

Mayor Gloria Chavez, Village of Tijeras questioned what is the possibility of this devastation happening again? Mr. Kivitz responded there is a possibility, but after the floods the creek was dug deeper creating a flood wall. The risk management dollars will primarily be used for remediation to make sure there is not too much of a problem. Basically it would take an incredible big flood to take out the whole orchard.

Mr. Cave advised the Board that if the capital outlay project gets approved, the Executive Board would have to include it in next year's budget. A lot of issues would be clarified between now and June as to what the relationship would be and MRCOG would have the opportunity to opt out as fiscal agent.

Richard Bruce, Rio Rancho Public Schools, stated that if the capital outlay project survives the legislature and the Governor, it shows that there is a wide range of support on both sides of the aisle. The downside for MRCOG does not seem to be that great considering Adelante's potential for success.

John Castillo, City of Rio Rancho, stated that there is some potential for concern, but the upside is a lot more significant. Mr. Castillo encouraged the MRCOG to accept the opportunity to help save an asset that really is a land mark to New Mexico.

Mayor Larry Abraham made a motion to approve the MRCOG to serve as a fiscal agent for Adelante Development Center Inc. on a State Capital Outlay request project. The motion was seconded by Councilor Rey Garduño, City of Albuquerque.

Commissioner O'Malley suggested adding clarification of ownership and administrative fees as part of the motion.

Mayor Gasteyer can support the motion as originally stated, but not comfortable with ownership of assets. Mr. Gasteyer requested clarification regarding the actions taken by Executive Board today will go to the Full Board for approval and also clarification as to whether MRCOG will be the fiscal agent or the owner of the assets by said meeting.

Mr. Cave suggested moving forward on condition MRCOG comes back to the Board with the information on ownership as well as the availability of administration fees before a final decision is made.

Commissioner O'Malley voiced her concern that the letter clearly states that MRCOG will be the fiscal agent or the owner of assets. Basically if the Board approves Adelante's request, the Board is backing the letter.

Tim Eichenberg, AMAFCA, made a motion to include the MRCOG or New Mexico State Land Office as fiscal agent for Adelante Development Center Inc. on a State Capital Outlay request project. The motion was seconded by Commissioner Debbie O'Malley, Bernalillo County.

The motion passed with Commissioner O'Malley and Mayor Gasteyer voting against.

OTHER DISCUSSION AND INFORMATION ITEMS

Tab 6

Financial Update

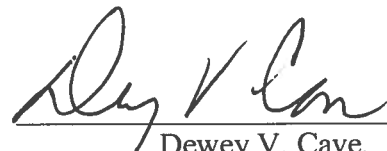
Dewey Cave, Executive Director presented the financial report update. The report covers the period of July 1, 2012 to December 31, 2012.

(A copy of the report may be obtained at the MRCOG Office.)

Tab 7	<p>Mid-Year FY13 Budget Goals and Objectives Report</p> <p>Dewey Cave presented the Mid-Year FY13 Budget Goals and Objectives report. This report is a mid-year summary showing where the programs are at with their particular goals and objectives. Over all staff is on target with their commitments and stayed within the budget.</p> <p>(A copy of the report may be obtained at the MRCOG Office)</p>
Tab 8	<p>Executive Directors Report</p> <p>Mr. Cave informed the Board he will be in Santa Fe on Tuesday, March 5th before the State Board of Finance to discuss the facility lease purchase agreement with Bernalillo County. All leases with Bernalillo County must be approved by the State Board of Finance.</p> <p>The MRCOG will be hosting the New Mexico Department of Transportation Commission meeting on Thursday, February 21st. Mr. Cave will be giving the welcoming address.</p> <p>The WIA Workforce Program will be issuing request for proposals for the adult and youth provider contracts.</p> <p>With the new Chief Elected Official agreement put in place, MRCOG has received 80% of the Chief Elected Official agreements. This is a good response compared to past years.</p> <p>Larry Horan gave a brief report on the 2013 Legislative Session.</p>
Tab 9	<p>Comments from Board Members</p> <p>There were no Board comments.</p>
Tab 10	<p>Adjournment</p> <p>The meeting adjourned at 3:50 pm.</p>



Chair
MRCOG Board of Directors



Dewey V. Cave,
Executive Director

(The original tape of the meeting is on file in the MRCOG Office.)